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Nuclear reactors will cost twice estimate, says E.ON chief

Robin Pagnamenta

The Government has vastly underestimated the cost of building a new generation of nuclear power plants, according to the head of the world's largest power company.

Wulf Bernotat, chairman and chief executive of E.ON, the German energy giant that owns Powergen, has told The Times that the cost per plant could be as high as €6 billion (£4.8 billion) - nearly double the Government's latest £2.8 billion estimate.

His figures indicate that the cost of replacing Britain's ten nuclear power stations could reach £48 billion, excluding the cost of decommissioning ageing reactors or dealing with nuclear waste. "We are talking easily about €5 billion to €6 billion [each]," Dr Bernotat said.

The news comes as EDF, of France, RWE, of Germany, and Iberdrola, of Spain, prepare to submit offers for British Energy, the nuclear generator, by Friday. Centrica, the owner of British Gas, is in talks with EDF and others about a possible joint approach.

E.ON's cost estimates provoked an angry response from anti-nuclear campaigners. Tim Jackson, of the Sustainable Development Commission, said: "Combined with the myriad concerns about the legacy of nuclear waste, it should now be clear that a new generation of nuclear plants is the wrong option."

Dr Bernotat's estimates are based on E.ON's experience as a partner in the construction of a nuclear plant in Finland to a French design viewed as the most likely for deployment in Britain. He estimated the cost of that project at €4.5 billion.

The Department of Business, Enterprise and Regulatory Reform said the £2.8 billion figure, contained in a White Paper published in January, was an estimate and that the final costs would hinge on many factors.

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